

**Agency Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00	7.00
Personal Services	374,214	58,146	0	432,360	58,441	0	432,655	865,015
Operating Expenses	198,491	(13,167)	35,487	220,811	(41,882)	35,487	192,096	412,907
Grants	452,330	10,054	44,513	506,897	14,747	44,513	511,590	1,018,487
Transfers	0	0	40,000	40,000	0	0	0	40,000
<b>Total Costs</b>	<b>\$1,025,035</b>	<b>\$55,033</b>	<b>\$120,000</b>	<b>\$1,200,068</b>	<b>\$31,306</b>	<b>\$80,000</b>	<b>\$1,136,341</b>	<b>\$2,336,409</b>
General Fund	286,250	25,106	120,000	431,356	(345)	80,000	365,905	797,261
State/Other Special	158,801	7,177	0	165,978	8,901	0	167,702	333,680
Federal Special	579,984	22,750	0	602,734	22,750	0	602,734	1,205,468
<b>Total Funds</b>	<b>\$1,025,035</b>	<b>\$55,033</b>	<b>\$120,000</b>	<b>\$1,200,068</b>	<b>\$31,306</b>	<b>\$80,000</b>	<b>\$1,136,341</b>	<b>\$2,336,409</b>

**Page Reference**

Legislative Budget Analysis, E-45

**Executive Budget Comparison**

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	
Personal Services	374,214	432,360	432,360	0	432,655	432,655	0	0
Operating Expenses	198,491	190,324	220,811	30,487	161,609	192,096	30,487	60,974
Grants	452,330	462,384	506,897	44,513	467,077	511,590	44,513	89,026
Transfers	0	40,000	40,000	0	0	0	0	0
<b>Total Costs</b>	<b>\$1,025,035</b>	<b>\$1,125,068</b>	<b>\$1,200,068</b>	<b>\$75,000</b>	<b>\$1,061,341</b>	<b>\$1,136,341</b>	<b>\$75,000</b>	<b>\$150,000</b>
General Fund	286,250	356,356	431,356	75,000	290,905	365,905	75,000	150,000
State/Other Special	158,801	165,978	165,978	0	167,702	167,702	0	0
Federal Special	579,984	602,734	602,734	0	602,734	602,734	0	0
<b>Total Funds</b>	<b>\$1,025,035</b>	<b>\$1,125,068</b>	<b>\$1,200,068</b>	<b>\$75,000</b>	<b>\$1,061,341</b>	<b>\$1,136,341</b>	<b>\$75,000</b>	<b>\$150,000</b>

The legislature increased the executive budget by \$150,000 of general fund over the biennium to replace funding that was eliminated through general fund reductions made in the 2003 session for: 1) \$30,000 of the Arts Education program; 2) \$54,000 the Arts Business Services Operations; 3) \$32,000 of eliminated grants to local communities; and 4) \$34,000 of unspecified reductions.

## Agency Highlights

<b>Montana Arts Council Major Budget Highlights</b>	
<p>The legislature approved a budget \$286,000 greater than the FY 2004 base due to:</p> <ul style="list-style-type: none"> <li>◆ Present law adjustments including: <ul style="list-style-type: none"> <li>• Increases in personal services due to statewide adjustments</li> <li>• Increases for rent, equipment replacement, administrative cost adjustments, and the authority to spend increased federal funding</li> <li>• Decreases in operating expenses of \$45,000 annually to partially offset broadband pay plan salary increases</li> </ul> </li> <li>◆ New proposals of: <ul style="list-style-type: none"> <li>• \$10,000 over the biennium for an E-Grants and Data Base System</li> <li>• \$40,000 of one-time-only funding for additional grant resources</li> <li>• \$150,000 over the biennium to restore funding eliminated in the 2003 session</li> </ul> </li> </ul>	

## Funding

The Montana Arts Council is funded with a combination of general fund, state special revenue from cultural & aesthetic (C&A) trust fund interest earnings, and federal funds from the National Endowment for the Arts (NEA).

General fund supports administration, legislative audit costs, and support of the arts in local communities throughout Montana.

The coal severance tax fund shared account supports the Montana Arts Council's administration of the cultural trust activities and its Folklife Program, which supports Montana's traditional and native arts and cultures. Interest earnings from the corpus of the cultural trust support the Cultural and Aesthetic Program projects.

## Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					52,996					52,891
Inflation/Deflation					(213)					(205)
Fixed Costs					4,034					(15,208)
Total Statewide Present Law Adjustments					\$56,817	\$37,478				
DP 1 - Rent Increase										
	0.00	158	242	158	558	0.00	1,008	1,602	1,008	3,618
DP 2 - Equipment Replacement										
	0.00	6,428	0	0	6,428	0.00	4,902	0	0	4,902
DP 4 - Federal Funds Increase										
	0.00	0	0	10,054	10,054	0.00	0	0	14,747	14,747
DP 5 - Administrative Cost Adjustments										
	0.00	12,597	2,319	11,260	26,176	0.00	7,089	2,719	5,753	15,561
DP 7000 - Alternative Payplan Conversion										
	0.00	(15,000)	(15,000)	(15,000)	(45,000)	0.00	(15,000)	(15,000)	(15,000)	(45,000)
Total Other Present Law Adjustments										
	0.00	\$4,183	(\$12,439)	\$6,472	(\$1,784)	0.00	(\$2,001)	(\$10,679)	\$6,508	(\$6,172)
Grand Total All Present Law Adjustments					\$55,033	\$31,306				

DP 1 - Rent Increase - The legislature approved an annual 3 percent increase in rent as negotiated in the lease with the City-County Administration and the Department of Administration. The \$4,176 cost of rent is split \$1,166 general fund, \$1,844 state special revenue fund, and \$1,166 federal funds over the biennium. The increase from FY 2006 to FY 2007 is due to the termination of a grant award.

DP 2 - Equipment Replacement - The legislature approved \$11,330 of general fund for computer replacement of four personal computers, two laptops, and two printers.

DP 4 - Federal Funds Increase - The legislature approved authority to spend the increase in federal special revenue allocated by the National Endowment for Arts for Challenge America purposes. The Arts Council will award these funds as grants to local agencies.

DP 5 - Administrative Cost Adjustments - The legislature approved \$19,686 general fund, \$5,038 state special revenue, and \$17,013 federal funds over the biennium to reestablish per diem for the council and the Cultural & Aesthetic Projects and Citizens Advisory Panel, as well as basic adjustments to professional services, legal fees, printing, in-state lodging, and costs associated with updating the council's state and federally required strategic plan. Funding also provides for mid-tier processing and local area network administration from the Information Technology Services Division for approximately \$9,700 over the biennium.

DP 7000 - Alternative Payplan Conversion - The legislature approved a reduction in operating expenses to offset salary increases resulting from the agency's conversion to the broadband pay plan. The annual cost of the conversion is split evenly between general fund, state special revenue, and federal special revenue.

**New Proposals**

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - E-Grants and Data Base System - OTO										
01	0.00	5,000	0	0	5,000	0.00	5,000	0	0	5,000
DP 100 - Reinstate funding eliminated in 2003 session										
01	0.00	75,000	0	0	75,000	0.00	75,000	0	0	75,000
DP 7001 - Additional Grant Money for Loss of C&A Int. - OTO										
01	0.00	40,000	0	0	40,000	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$120,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$120,000</b>	<b>0.00</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,000</b>

DP 3 - E-Grants and Data Base System - OTO - The legislature approved \$10,000 of general fund over the biennium as a one-time-only, restricted appropriation for the Information Technology Services Division proposal to develop and design a data base and e-grants system for the Arts Council.

DP 100 - Reinstate funding eliminated in 2003 session - The legislature added \$150,000 of general fund over the biennium to replace funding that was eliminated in the 2003 session for: 1) \$30,000 of the Arts Education program; 2) \$54,000 for the Arts Business Services Operations; 3) \$32,000 of eliminated grants to local communities; and 4) \$34,000 of unspecified reductions.

DP 7001 - Additional Grant Money for Loss of C&A Int. - OTO - The legislature approved a \$40,000 one-time-only, biennial, restricted general fund transfer to the Cultural & Aesthetic (C&A) Project Fund to provide additional resources for C&A grants administered by the Montana Arts Council.

**Language**

The legislature approved the following language for inclusion in HB2:

"All federal funds in [Montana Arts Council] are biennial appropriations."